

Tronox non-compliance with the Electricity System and Market Rules trading obligations

ESM Rule/s breached [ERA breach reference]	Breach period	Breach details
Breaching participant		
Tronox	2.16C.5 [ABR-01615]	<p>9:05AM to 10:10AM (inclusive) 6 July 2025</p> <p>While the TIWEST_COG1 generation facility was isolated from the electricity network on 6 July 2025, from 9:00AM to 10:10AM, Tronox offered capacity at the price cap resulting in energy uplift payments. The Australian Energy Market Operator's (AEMO) dispatch systems applied a constraint so as not to interfere with TIWEST_COG1 supplying its co-located industrial load during the islanding event. This meant that TIWEST_COG1 operated independently of the bidding price to maintain electricity supply during the isolation period. The irregular price offers tendered to the market while constrained to run, resulted in Tronox receiving approximately \$23,711 in energy uplift payments to which it was not entitled.</p>

ERA's actions

The Economic Regulation Authority identified Tronox's irregular price bidding behaviour through its market monitoring activities and conducted a full investigation because of the proximity of this behaviour to the ERA's investigation into similar behaviour by Tronox from 14 March to 2 April 2025.

The ERA determined that Tronox's offers for TIWEST_COG1 breached Electricity System and Market (ESM) Rule 2.16C.5, governing Market Participant's bidding behaviour. The ERA did not identify any indications of fraudulent intent. Although Tronox repeated the non-compliant bidding behaviour it demonstrated in March and April 2025, Tronox, having sought for TIWEST_COG1 to be islanded, recognised that it had bid incorrectly during the islanding event and took action to address its error.

The ERA issued Tronox with a civil penalty of \$50,000. The penalty amount reflects that this was the second breach of the same type within a short period of time as well as the relatively low financial benefit gained by Tronox, their attempt to correct the error, and cooperation with the ERA's investigation.

Breaching Participant's response

Tronox accepted that it had breached the ESM Rule governing the Market Participant's bidding behaviour. Tronox cooperated with the ERA's investigation.

Tronox paid the civil penalty issued by the ERA. The penalty amount will be distributed by AEMO to the Market Participants in accordance with section 9.21 of the ESM Rules.¹

¹ Electricity System and Market Rules, 4 June 2025, 9.21 Financial Penalty Distribution, ([online](#)).